

# SENATE BILL REPORT

## SSB 5250

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As of February 6, 2012

**Title:** An act relating to the design-build procedure for certain projects.

**Brief Description:** Concerning the design-build procedure for certain projects.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Haugen, King, White and Swecker).

**Brief History:**

**Committee Activity:** Transportation: 1/31/11, 2/02/11 [DPS]; 1/11/12.

Passed Senate: 3/03/11, 46-0.

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5250 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; King, Ranking Minority Member; Fain, Assistant Ranking Minority Member; Delvin, Ericksen, Hill, Hobbs, Litzow, Nelson, Ranker, Swecker and White.

**Staff:** Clint McCarthy (786-7319)

**Background:** Design-build construction is a contracting technique that allows the owner of a project to contract with a single entity for the design and construction of a project. Some construction work can often begin before final design is complete, providing opportunity for cost savings and expedited project delivery. Traditional design-bid-build contracts require design to be completed before the construction portion of a project is awarded.

Current law allows the Department of Transportation (DOT) to use design-build construction if construction activities are highly specialized, efficiency opportunities are significant, or significant savings in project delivery time would be realized. A design-build project must also be over \$10 million, except that up to five pilot projects may be conducted that are between \$2 and \$10 million.

**Summary of Bill:** The bill as referred to committee not considered.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill (Proposed Second Substitute):** DOT may use the design-build process on any highway improvement project over \$5 million. On a biennial basis, DOT must report any improvements to its design-build processes and the Department's performance in keeping design build projects within scope, schedule and budget.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

Testimony From 2011 Regular Session on Original Bill.

PRO: There have been several successful design-build projects completed. We appreciate the changes made to the original bill and support it. The lowering of the threshold will allow more opportunities for design-build.

OTHER: The focus on design-build should not be on the size of the project. DOT has been successful using design build, but DOT needs to maintain a strong owner role. Design-build is a good tool for DOT and we look forward to working with industry on developing the process. We have some concern as it affects current practices at DOT; this is one tool in the tool box and in the past experts at DOT have been left to determine the best tool to use. This bill seems to establish design-build as the preferred tool

Testimony From 2012 Regular Session on Proposed Second Substitute.

OTHER: Concerns were noted with trying to understand the basis for coming up with a \$5 million threshold for developing a design build process for highway projects. Concerned with how this bill might impact smaller contractors.

**Persons Testifying:**

Persons Testifying From 2011 Regular Session on Original Bill.

PRO: Duke Schaub, Assn. of General Contractors.

OTHER: Jeff Carpenter, WA State DOT; Vince Oliveri, Professional and Technical Employees Local 17.

Persons Testifying From 2012 Regular Session on Proposed Second Substitute.

OTHER: David Meyers, WSBCTC.